

Meeting Future Housing Needs in the San Joaquin Valley



The Valley's Population Is Growing

The population of the eight-county San Joaquin Valley is expected to continue to grow from 3.8 million in 2010 to 6.6 million in 2050 – the highest growth rate in California. It is likely that, by 2050, the Valley will need to provide housing for about 700,000 new households.

Demographics Are Changing

Today, the Valley's white, non-Hispanic population is about 1.5 million. By 2050, it is projected that this number will shrink by about half. At the same time, the Hispanic population will increase from 1.8 million to 4.6 million by 2050. All other races, including Asians, will increase from their current half million to more than a million.

According to the most recent U.S. census, the average age of Valley residents is younger than the state average, with about 30% of the Valley's population under the age of 18.

Average annual income per capita in the San Joaquin Valley, according to the U.S. Census, is about \$20,000 per capita – 2/3rds of the state average of \$30,000.

Changing Demographics and Income Levels Are Fueling Different Housing Needs

Economic and financial trends coupled with rising energy prices indicate that fewer families will be able to afford home ownership in the next 40 years, according to "A Home for Everyone: San Joaquin Valley Housing Preferences and Opportunities to 2050" (Nelson, 2013).

Significantly lower income levels will also limit the housing choices accessible to a large number of Valley residents. Constrained incomes will cause households to look for creative solutions – doubling up, multi-generational living, etc.

Housing is the largest budget item for most American households, but transportation costs can be a close second. Valley residents with constrained incomes will be able to spend more on housing if they can live in a place where affordable transportation options are available.

Many of today's younger, more educated workers whose incomes allow them to choose where to live now prefer to locate in a lively downtown environment where they can live, work and play.

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Valley residents are increasingly interested in small-lot, single-family homes, townhouses, mixed-use buildings and apartments, and alternatives to driving alone – walking, biking and transit.

The Market Must Change in Response

The Unmet Need Is for Mixed Use, Walkable Neighborhoods, More Housing Choices and More Rental Opportunities

To meet future market demand, **45% of all new residential units built between today through 2050 should be attached units**, according to a recent study by the Concord Group for the Valley's regional planning agencies. These new units could be in the form of apartments, flats and townhouses. ([Link to Concord Group Study](#))

This shift represents a dramatic change from today's business as usual. Yet, about 99% of residential permits issued in the Valley between 1990 and 2011 were for single-family homes (councilofinfillbuilders.org/resources/valley-housing.html).

The Kern County Council of Government's 2012 Community Survey found that **more than two-thirds of Kern County respondents favored having an alternative to driving alone, including walking, biking and transit**, with the greatest support for these options coming from the Hispanic population. To meet this priority, it will be necessary for cities to move toward zoning for more compact development in mixed-use neighborhoods.

This survey, which compared 2008 and 2012 housing preferences, found **residents' interest in small-lot, single-family homes, townhouses, mixed-use buildings and apartments has grown by 20% to 33% over the past four years, depending upon the building type.**

The most striking change was a rising interest in living in a mixed-use building. ([Link to Kern County Study and Nelson](#))





Compact, walkable development raises far more property tax per acre than does large-lot development, and reduces the costs of creating and maintaining the community's infrastructure.

Many Economic Benefits of Shifting to More Walkable, Mixed-Use Development

Continuing to build as we have in the past will result in the loss of an additional 500,000 acres of farmland by 2050. The economic value of this loss is estimated to be **over \$136 billion a year** (American Farmland Trust, "Saving Farmland, Growing Cities," 2013).

Many in the business community strongly support farmland preservation as an important economic development tool vital to the Valley's future. (San Joaquin Valley Regional Economic Summit: Building Prosperity for the Valley Ag Value Chain).

Studies in the San Joaquin Valley and elsewhere in the country demonstrate that compact, walkable development raises far more property tax per acre than does large-lot development. ([link to Minicozzi study](#))

A 2006 fiscal study by Fresno County demonstrated that the cost of maintaining and servicing residential growth of the type being constructed at that time was resulting in **an annual loss of over \$400 per unit**, with losses increasing in future years. ([link to San Joaquin Valley Blueprint Planners Toolkit](#))

The cost of physical inactivity and the related overweight and obesity among California adults was **\$41 billion** in 2006, according to the California Center for Public Health Advocacy. Unfortunately, obesity rates in the San Joaquin Valley exceed the state average. Land-use changes supporting walking, biking and transit can reduce rates of overweight and obesity, and the associated costs.

Businesses around the country seeking management-level employees are increasingly attracted to locate in cities that support more urban lifestyles where workers can live, work and play.





Local Government Policies Can Respond to Changing Needs

There are a number of policy changes available to local governments that will help communities respond to the future housing market. Many are listed in the “San Joaquin Blueprint Planners Toolkit.” Below are five important ones:

Make General Plans More Walkable

1 The General Plan is the policy document that can express a new vision for valley communities and where new growth might best be directed.

A number of Valley cities have begun to incorporate language in their general plans that support walkable, transit-oriented communities. A few are also now directing a percentage of expected new growth toward infill areas. The City of Fresno, for example, is now directing almost half of all new growth into infill sites, mostly downtown and on declining commercial corridors.

Adopt Form-Based Codes

2 Form-based codes are a relatively new zoning tool that can let residents and developers understand exactly how a neighborhood is going to grow. The community-participation process and specificity of the code has led to more predictable built results and higher-quality neighborhoods by using physical form (rather than separation of uses) as the organizing principle for the code.

Form-based codes are regulations, not mere guidelines, adopted into city or county law. They are particularly useful for communities looking to provide compact, mixed-use, walkable neighborhoods, whether in a greenfield setting or as infill.

Modesto adopted a form-based code for their downtown core in 2010, and Fresno followed suit in 2011.

For more guidance on the purpose and development of a form-based code: lgc.org (under “Healthy Communities in the San Joaquin Valley”)

Support Complete Streets

3 Complete streets are multi-use environments that enable safe and comfortable access for all users of the streets and sidewalks. This includes pedestrians, bicyclists, motorists and public transit riders of all ages and abilities, including older people, children and people with disabilities.

A number of San Joaquin Valley communities have modified their streets to better accommodate bicycling or walking, beginning with downtowns in Lodi and Visalia over a decade ago. These efforts represent first steps toward implementing a citywide complete streets policy.

Reduce Costs of Infill Development

4 Developers prefer to undertake greenfield development because it is easier and costs them less. The City of Fresno is taking the lead in developing policies to change the Greenfield advantage and level the playfield for infill development. The city council has adopted a resolution to move ahead with an “Infill Development Act” that will change the current economic incentives that favor greenfield, edge development over infill development.

Maintain an Adequate Planning Staff

5 Ultimately, plans for more sustainable, compact, vibrant communities require skilled professional staff to assist local elected officials with the day-to-day review and permitting process. It is important to keep proper staffing resources in mind when making increasingly difficult budget decisions.